

A Tuition Strategy for K-State

**A look at the University's financial condition,
its aspirations, and the principles underlying
a five-year tuition strategy**

Access to Mediocrity Serves No One Well

- **K-State's academic programs are first-rate, well-known and highly respected, but K-State's funding is far below reasonable norms.**
- **Without an immediate injection of new funds, K-State's current level of quality is at risk.**
- **Additional funds must come from more state investment, increased external funding, more private fund-raising and larger tuition revenues.**
- **We have initiatives in each of these areas, but this discussion focuses only on tuition strategy.**

University Aspirations

- **We will become a Top 10 Land Grant university as a composite of all three categories of our mission—teaching, research and extension.**
- **We will keep K-State's traditional enrollment pattern even though student costs may increase.**
- **We will provide competitive compensation packages for all employees.**
- **We will provide a level of Other Operating Expense support consistent with K-State's status as a doctoral research-extensive university.**
- **We will maximize financial flexibility at all levels within the university.**

University Funding Imperatives

Last year, the university community identified the highest priority areas that need immediate additional funding. Consensus was reached on the following items:

- **Unclassified salaries**
- **OOE**
- **Flexible funds**
- **Integrated data base**

K-State Is Under-Funded

- **Faculty salaries have improved modestly in recent years, but not enough. Faculty turnover is too high. Faculty recruitment is difficult, especially in Business and Engineering.**
- **The budget for non-salary items (OOE) is about 54% of the peer average. More than \$22 million needs to be added to the OOE budget to reach the average.**
- **Tuition and fees are far below the level of competing universities. Adjustments to tuition rates, the tuition structure and waiver policies are needed.**

Chronic Low OOE Funding Hurts Program Quality

- **K-State has inadequate funding for even basic instructional supplies.**
- **The University is unable to replace outdated classroom or laboratory equipment.**
- **It is not possible to install and maintain an information infrastructure sufficient to provide appropriate support for teaching, research, and extension programs.**
- **There is little budgetary flexibility at any level within the university.**

Tuition at K-State Is Low

- **K-State's resident tuition and fees are well below regional and national standards.**
- **For the current academic year K-State is 10th in the Big XII and 136th of the 177 members of the National Association of State Universities and Land Grant Colleges (NASULGC).**
- **K-State's nonresident tuition and fees also fall below similar universities--9th in the Big XII and 105th in NASULGC.**

Campus Discussion of Tuition Strategy

- **The Provost and two Vice Presidents held 21 campus meetings with various groups. They summarized budget constraints, reviewed tuition benchmarks, discussed five illustrations of alternative tuition strategies, and outlined expenditure priorities.**
- **The sessions were attended by more than 750 faculty, staff and students. Similar presentations will be made to the Alumni and Foundation executive committees in early February.**
- **One of the sessions was videotaped for broadcast on the local cable access channel and slides were put on a University website.**

Tuition Strategy Overview

- **By Fiscal Year 2007, the non-salary portion of K-State's base budget must be increased by \$18 million (above inflation) just to bring OOE funding to the same relative level as salaries. This level of OOE funding more appropriately supports our teaching, research and extension missions.**
- **The \$18 million would come from an equipment/technology fee and by increasing tuition gradually but well beyond inflationary levels for 5 years.**
- **Need-based tuition waivers will be provided to help ensure continuation of the University's traditional undergraduate enrollment pattern.**

Tuition Structure

- **All students should pay an equipment/technology fee.**
- **Tuition rates for upper division undergraduate courses should be higher than tuition for lower division courses.**
- **When an academic college experiences unusually high faculty turnover because of a long-term inability to pay competitive salaries, a surcharge for courses taught by that college should be considered to supplement salaries. The need for the surcharge would be reviewed periodically.**
- **Veterinary Medicine should continue implementation of a totally linear tuition structure.**

Tuition Rates

- **Both resident and nonresident tuition for lower division undergraduate courses should be at the median of the NASULGC universities within five years.**
- **Tuition rates at the Salina Campus should equal those charged on the Main Campus within three years.**
- **Until linear tuition is fully implemented, Veterinary Medicine tuition should only receive an inflationary increase annually.**
- **Student Senate should continue to have full responsibility for recommending annual changes to the privilege fee.**

Tuition Waiver Policies

- **Need-based tuition/fee reductions should be provided to help ensure continuation of the University's traditional undergraduate enrollment pattern.**
- **K-State should start a tuition reduction program for Graduate Research Assistants during the next five years.**
- **To help with faculty and staff recruitment, K-State should start a limited tuition reduction program for dependents of University employees during the next five years.**
- **During the next five years, K-State should offer tuition reduction opportunities for nonresident students who desire to enroll in targeted programs.**

Expenditure of Additional Tuition Revenue

- **Guaranteeing financial access with need-based tuition/fee reductions is the top priority.**
- **Increasing current base budget items by at least the cost of living is the second priority.**
- **Remaining funds should be allocated to budgetary units for supplies, equipment and other non-salary needs and used to address central information infrastructure needs.**

Expenditure of the Equipment/Technology Fee Revenue

- **At least half of the revenue should be allocated to academic departments for equipment replacement and maintenance.**
- **Remaining funds should pay for a new Student Information System, replace other central administrative systems and improve the University's information infrastructure.**

Summary

- **Additional funding must be pumped into K-State's operating budget if we are to maintain program quality and make progress toward achieving our higher aspirations.**
- **K-State has developed strategies to increase revenue from the private sector and extramural projects. Initiatives such as the one recently announced by the Hall Family Foundation should help increase the state's investment.**
- **Tuition ownership is a self-help mechanism for enhancing revenue. Increasing tuition to a level more consistent with similar universities brings significant revenue for OOE funding even after amounts are set aside for need-based student financial aid.**